

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of)	
)	
Connect America Fund	)	WC Docket No. 10-90
)	
A National Broadband Plan for Our Future	)	GN Docket No. 09-51
)	
Establishing Just and Reasonable Rates for Local Exchange Carriers	)	WC Docket No. 07-135
)	
High-Cost Universal Service Support	)	WC Docket No. 05-337
)	
Developing a Unified Intercarrier Compensation Regime	)	CC Docket No. 01-92
)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
)	
Lifeline and Link-Up	)	WC Docket No. 03-109

**FURTHER INQUIRY INTO CERTAIN ISSUES IN THE UNIVERSAL SERVICE
INTERCARRIER COMPENSATION TRANSFORMATION PROCEEDING
WC Docket Nos. 10-90, 07-135, 05-337, 03-109;
CC Docket No. 01-92, 96-45
GN Docket No. 09-51**

COMMENTS OF THE MENDOCINO COMMUNITY NETWORK

Mitchell Sprague
Business Manager
Mendocino Community Network

Mendocino Community Network
P.O. Box 2445
Mendocino, CA 95460
(707) 937-1444

TABLE OF CONTENTS

INTRODUCTION	1
I. UNIVERSAL SERVICE	
A. Separate Support for Mobile Broadband.....	2
C. CAF Support for Price CAP Areas	
1. Use of Model.....	2
2. Right of First Refusal (ROFR)	3
3. Public Interest Obligations.....	3
5. State Role.....	3
F. Highest Cost Areas.....	4
I. Interim Reforms for Price Cap Carriers.....	4
CONCLUSION.....	5

Before the FEDERAL COMMUNICATIONS COMMISSION Washington, DC 20554

In the Matter of)	
)	
Connect America Fund	)	WC Docket No. 10-90
)	
A National Broadband Plan for Our Future	)	GN Docket No. 09-51
)	
Establishing Just and Reasonable Rates for Local Exchange Carriers	)	WC Docket No. 07-135
)	
High-Cost Universal Service Support	)	WC Docket No. 05-337
)	
Developing a Unified Inter-carrier Compensation Regime	)	CC Docket No. 01-92
)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
)	
Lifeline and Link-Up	)	WC Docket No. 03-109

COMMENTS OF THE MENDOCINO COMMUNITY NETWORK

INTRODUCTION

The Mendocino Community Network submits the following comments in response to the Commission's Further Inquiry into Certain Issues in The Universal Service Inter-carrier Compensation Transformation Proceeding, notice DA 11-1348, released on August 3, 2011.

The Mendocino Community Network is a small independent internet service provider located in Mendocino, California and has a unique distinction as one of the few internet service providers owned and operated by a school district. We are located in rural Northern California and as such have had hands on experience in watching the progress and lack thereof in rural broadband deployment. Our comments on this inquiry stem from our own experience and frustrations in trying to deliver broadband to our community and to our first hand observations on the impact of lack of broadband on our school district's students and our community. While the Commission must examine in detail the complex technical aspects of this issue, it is important that the Commission not lose sight of the fact that lack of broadband communications has a daily significant impact on the communities we serve, from high school students sitting outside of wi-fi hotspots at night to do their homework, to economic development impacts, to health care issues. We also remind the Commission that failed rural broadband deployment doesn't necessarily affect those who are large distances away from the institutions that serve them. We have students in our school district who do not have broadband but who live less than two miles away from their school and unserved citizens who are three miles away from their local hospital.

I. UNIVERSAL SERVICE

A. Separate Support for Mobile Broadband

The Commission asks if there should be separate funds for fixed versus wireless services. We believe that the Commission should look to the future in allocating resources for the development of broadband service and place significant emphasis on fixed broadband deployment with the funds available. As it currently stands, we see mobile providers, while increasing the speed of their networks, simultaneously imposing stringent caps on bandwidth transfer that will drive the cost of these services upward for consumers as more media rich content is used over the Internet. Our vision of the future of broadband sees such technologies as tele-medicine and distance learning as core technologies that our citizens will be using. In addition, more and more government functions are requiring citizens to use on-line access to complete a variety of tasks. Investing in any delivery mechanism that imposes severe limitations on bandwidth use with additional costs after those limitations are reached in effect imposes a surcharge on users. It seems counterproductive to build out facilities to people who very well may not be able to afford them or more importantly, use them for what they are intended for.

We also favor the division of the CAF broadband fund into a "broadband build" and "broadband operations" as proposed in the Google/Skype/Vonage/Sprint/AdHoc letter to the Commission¹. We believe that local rural independent ISP's are willing to make significant long term investments in our communities and have resources to efficiently leverage build out funds without the need for significant on-going operations subsidies. Splitting the funds into two categories will give consumers more choices and use the funds more efficiently.

C. CAF Support for Price CAP Areas

1. Use of Model

We again feel that using one technology model as basis for funding is a limited method for deploying broadband and looks only at the providers' perspective while offering limited consideration of the end-users perspective. We feel that the cost to the end user should play a role in determining which technologies are used and that providers should be given incentives to

¹ Google/Skype/Vonage/Sprint/AdHoc letter to FCC dated August 18th, 2011 at 3

deliver the best service to consumers—for after all, it is consumers who are paying for the subsidies.

2. Right of First Refusal (ROFR)

We find the 35% threshold for incumbent local exchange carriers (ILEC) to be automatically awarded funding to be inadequate and counterproductive. Our rural area is made of central town locations with less populated areas surrounding them. In some cases, other providers besides the ILEC have made significant build out investments well beyond those made by the ILEC which has focused its non-subsidized investment to “cherry pick” the town centers. If this model were applied to the real-world deployment in our area, the ILEC, which serves significantly fewer people would automatically be given the ROFR and be subsidized yet would need to build out significantly more facilities to unserved areas than other providers who are closer. We favor a competitive process when there are multiple providers involved, or at least awarding support based on the current number of people served.

3. Public Interest Obligations

We agree with the State Members that there should be 1, 3, and 5 year milestones. As stated above, we believe that pricing and usage allowances are something the Commission should track and take into account when evaluating the effectiveness of the services provided by those receiving funds. A 4 Mbps down, 1 Mbps up wireless connection with a 2 Mbps transfer cap is different from a 4 Mbps down, 1 Mbps up connection with an unlimited transfer cap. Price should also be taken into consideration. The Commission should make these thresholds such that recipients of support do not choose the lowest common denominator or what fits a particular business model, but rather what provides the most benefit to consumers for the money being spent. The Commission should also consider the ability of particular platforms to deliver higher end services such as virtual private networks, and video conferencing.

5. State Role

We have mixed feelings about the states’ ability to determine “whether a provider has already made a substantial broadband investment in a particular area”. It is an important role that the states could play. However, in our own experience, we have watched as year after year, study after study is done to determine whether or not broadband is available in our area. And we continually see over-stated broadband deployment for our area in these studies. Local groups here have done extensive studies on broadband availability and when compared with the data presented by the state PUC or the FCC, we see dramatic differences in what is stated versus what we know is true on the ground. Some of this is due to the reliance of the states on the major ILEC and cable companies to provide the data and the inherent conflict of interest that arises when the objective need for information collides with the potential benefit to those providing the information. In addition, we have found it difficult to rectify even gross errors in data reporting once mis-information makes it into the generally accepted public record of where broadband is and isn’t.

We believe that the states or local governments, given their involvement in new construction (planning permits, environmental review, etc.) should play a role in making sure that new housing in supported areas is connected to broadband services.

We also support state collection and aggregation of consumer complaints and that further that the Commission have some mechanism to act on these complaints such as reducing support

or fines for recipients of funding who do not perform on delivering broadband commitments in supported areas.

F. Highest Cost Areas

We have some concerns regarding the subsidies for satellite providers and believe they should be used only as a last resort. We see much discussion of the use of satellite to provide internet access for between 730,000² to 1 million American households³. While there may be no cost effective choice but satellite connections for these households, our anecdotal conversations with customers using these services show a wide variety of performance on these services and we do not believe that a satellite customer necessarily will have the same experience as a wired or even wireless customer. And these users may be those who most need the capabilities of broadband services. More importantly, we are concerned that while at the same time that these recommendations for extensive use of satellite connections are put forward, we also see proposals that would release telephone companies from any type of requirement to offer POTS services⁴. And we are concerned that this segment of the population will lose their reasonably priced phone service while having to accept as less than perfect broadband connection.

We agree strongly with Public Knowledge that recipients of funding be required to provide backhaul capacity and interconnection points. One way in which we see our role in this process would be to build facilities in areas where funding is available but the existing telco or cable company chooses not to build. In these cases, the territory of the existing providers would cover the area between the sources of backhaul and the unserved customers. Without interconnection points, we would be submitting proposals that would require extensive middle mile construction to leap frog the existing services of the existing providers at significant cost. At a minimum, we would like to see regulations that allow such proposals which have designs that by necessity need to pass through the existing territory of existing providers who choose not to take funding, and that those providers not be given a challenge option for such designs. But the better process is to require interconnection as close as possible to the unserved area.

I. Interim Reforms for Price Cap Carriers

This section also asks the question regarding the use of funds by carriers receiving support in areas that are already served. We again feel that at minimum supported carriers should be allowed to pass through served areas with middle mile facilities. We have concerns, based on our day to day operations, that existing facilities in rural areas are quickly decaying and therefore believe also that facilities passing through existing served areas should be allowed to build in future capability to step in the event that existing facilities decline to the point where service can no longer be offered.

² AB C Plan, Attach. 1 at 5

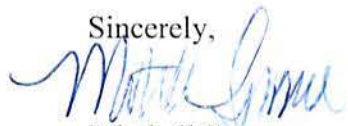
³ See "One Million Homes: Let Them Eat Satellite" *DSL Prime*: <http://fastnetnews.com/dslprime/42-d/4552-1000000-homes-let-them-eat-satellite>

⁴ ABC Plant, Attach. 1 at 13

CONCLUSION

We applaud the Commission and all of the parties that have put forth proposals and comments to try and move the expansion of broadband forward. We have watched as many different proposals and regulations have been enacted over the years, but we have seen only a very limited change in the broadband landscape in our county in the past 7 years, much of that through state subsidies, while at the same time have watched the lightning fast pace of change in the urban areas. The author of these comments drives 12 minutes to work each day in the town of Mendocino, but is limited to an ISDN line for connectivity that will allow him to run an ISP serving 4,000 customers. It is our sincere hope that the Commission will enact regulations which provide the proper incentives for the maximum benefit of the citizens in our community, and that will allow flexibility in allocating funds so that a variety of entities will be able to participate in providing broadband service. If this process is not successful, rural areas like our will slip further into the broadband divide that is already increasing each day.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mitchell Sprague".

Mitchell Sprague
Business Manager
Mendocino Community Network
P.O. Box 2445
Mendocino, CA 95460

August 23rd, 2011